

Rep. Peter Welch on Wednesday introduced legislation to support Vermont dairy farmers by promoting market stability and curbing price volatility in the dairy industry.

Welch first outlined the legislation in April at the McNall family farm in Fairfax, alongside leaders of the Vermont dairy industry. Supported by a broad coalition of dairy supporters, the Dairy Price Stabilization Act was written by Rep. Jim Costa (D-Calif.).

"Continuing volatility within the dairy industry has devastated Vermont's hardworking family farmers and their counterparts across the country. We have responded with important short-term support measures, but we must not delay in finding a path to long term reform," Welch said. "This bill sets an important marker as we find consensus within the industry about how to ensure the survival and prosperity of dairy."

The Dairy Price Stabilization Act would help stabilize dairy prices by better aligning supply with demand. The legislation calls on the U.S. Department of Agriculture to determine on a quarterly basis the capacity for growth in the dairy market. Producers who exceed the percentage increase allowed by the USDA would pay a market access fee, which would be distributed to all dairy farmers. The program would help the market absorb increases in production by providing a tangible financial incentive for dairies to manage their production growth.

The bill empowers farmers by allowing them to vote on whether to enact the program and, three years after it commences, to vote on whether to continue it. Farmers would sit on a 30-member board that would advise the Secretary of Agriculture on the implementation of the program.

In 2009, dairy farms throughout the country experienced one of the worst price crises of the last 40 years. Last June, prices dropped to an average of \$6 per hundredweight below the cost of production. In 2009, America's roughly 65,000 dairies lost over \$12 billion. Sharp losses forced dairy farmers to shutter their operations and lay off workers.

When he first outlined the legislation in April, Welch was joined by a group of statewide dairy leaders, including Vermont Secretary of Agriculture Roger Allbee, Amanda St. Pierre and Bill Rowell of Dairy Farmers Working Together, St. Albans Cooperative Creamery board president Ralph McNall, Agri-Mark director Robert Foster and representatives of Dairylea/Dairy Farmers of America.